

VZCZCXRO0065  
PP RUEHBC RUEHDE RUEHDIR RUEHKUK  
DE RUEHBS #1894 1591555  
ZNY CCCCC ZZH  
P 081555Z JUN 07  
FM AMEMBASSY BRUSSELS  
TO RUEHC/SECSTATE WASHDC PRIORITY 5611  
INFO RUCNIRA/IRAN COLLECTIVE PRIORITY  
RUEHGG/UN SECURITY COUNCIL COLLECTIVE PRIORITY

C O N F I D E N T I A L BRUSSELS 001894

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E.O. 12958: DECL: 06/07/2012  
TAGS: [PREL](#) [EFIN](#) [ETTC](#) [KTFN](#) [BE](#) [IR](#)  
SUBJECT: BELGIAN VIEWS ON IRAN SANCTIONS -- KEEP GOING  
AFTER THE MONEY

Classified By: Political Counselor Theodore H Andrews, reasons 1.4 (b) and (d)

¶1. (C) Werner Bauwens (protect), director of the Belgian MFA's non-pro division, discussed UNSCRs 1737 and 1747 with visiting A/S Paula DeSutter. Describing 1747 as more effective than the other because of it targeted specific names and because it reflected a broad, carefully cultivated consensus within the EU, Bauwens argued that only financial sanctions will "have teeth." Both Iranian and Belgian companies were "very nervous," he said, by the prospect of financial sanctions coming into force. This fear offered an opportunity to influence behavior.

¶2. (C) In the past several weeks, Bauwens noted that Belgian banks had requested exceptions to sanctions regulations for companies waiting for Iranian payments via Bank Sepah's branch in Germany. The companies normally were unaware of Sepah's involvement in making payments, Bauwens claimed, or that any funds transfers they made to Iran were using the bank's facilities. In the meantime, Bauwens indicated that the Belgian government (which chaired the UN's Iran Sanctions Committee) repeatedly has reminded its firms for over a year about the serious risks of doing business with Iran. They were now starting to get the message and, even better, the clampdown on transactions via Bank Sepah had "blown" another channel for conducting business with Tehran. (Note: Embassy will follow up to ensure that the picture Bauwens paints about supervision of the Belgian business world is as rosy as Bauwens paints the picture. End note)

¶3. (U) A/S DeSutter has not cleared this cable. Fox

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